

House Engrossed

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
First Regular Session  
2005

CHAPTER 236

**HOUSE BILL 2720**

AN ACT

REPEALING LAWS 2002, CHAPTER 72; RELATING TO GENERAL INDUSTRIAL USE PERMITS.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Repeal

3 Laws 2002, chapter 72 is repealed.

4 Sec. 2. General industrial use permit; extension; conditions;  
5 termination

6 A. Notwithstanding section 45-515, Arizona Revised Statutes, the  
7 department of water resources shall extend the term of a general industrial  
8 use permit issued in the Phoenix active management area for up to seven years  
9 after the date the permit would otherwise expire as provided in subsection B  
10 of this section if all of the following apply:

11 1. The general industrial use permit would otherwise expire on or  
12 before August 5, 2005 and cannot be renewed under section 45-515, Arizona  
13 Revised Statutes, because the site of the general industrial use is now  
14 located within the exterior boundaries of a private water company.

15 2. During the term of the extension, all wells from which groundwater  
16 is withdrawn pursuant to the general industrial use permit are located within  
17 the service area of the private water company and the private water company  
18 has agreed in writing that the term of the general industrial use permit may  
19 be extended for up to seven years under terms prescribed by this section.

20 3. The general industrial use permit is the subject of a water  
21 exchange contract, as defined in section 45-1001, Arizona Revised Statutes,  
22 to which all of the following apply:

23 (a) The water exchange contract was entered into before January 1, 2007  
24 for the exchange of central Arizona project water between a holder of a  
25 municipal and industrial central Arizona project subcontract and the holder  
26 of the general industrial use permit.

27 (b) The holders of the general industrial use permits have agreed in  
28 the water exchange contract to exchange groundwater pursuant to one or more  
29 general industrial use permits and the total amount of those permits is less  
30 than two thousand acre-feet.

31 (c) The central Arizona project water received by the holder of the  
32 general industrial use permit will replace groundwater for use on one or more  
33 golf courses owned by the permit holders.

34 B. A general industrial use permit described in subsection A of this  
35 section shall be extended for an additional seven years after the date the  
36 permit would have otherwise expired except that the extension shall terminate  
37 four years after the date on which the general industrial use permit would  
38 have otherwise expired if within that four-year period construction on a  
39 pipeline for transporting central Arizona project water to the permit  
40 holder's golf courses has not substantially commenced.

41 Sec. 3. Purpose

42 The purpose of this act is to facilitate the replacement of groundwater  
43 use on golf courses with the use of central Arizona project water by allowing  
44 general industrial use permits issued under section 45-515, Arizona Revised  
45 Statutes, in the Phoenix active management area to be extended for up to

1 seven years after the date the permits would have otherwise expired, if the  
2 permits cannot be renewed because the location of the use is now within the  
3 exterior boundaries of a private water company and if the permits will be  
4 used to exchange groundwater for central Arizona project water that will be  
5 used on a golf course. This exception to the requirements of section 45-515,  
6 Arizona Revised Statutes, will give the general industrial use permit holders  
7 additional time to secure a replacement withdrawal right to exchange for the  
8 central Arizona project water or make other arrangements to continue  
9 receiving the central Arizona project water for use on the golf courses. It  
10 is further intended that the extension of the general industrial use permit  
11 duration for the maximum seven years is dependent on timely progress toward  
12 completion of the water delivery infrastructure that will transport the  
13 central Arizona project water to the golf course.

14 Sec. 4. Repeal

15 Sections 2 and 3 of this act are repealed on August 1, 2012.

APPROVED BY THE GOVERNOR APRIL 25, 2005.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 25, 2005.

Passed the House March 14, 2005,

by the following vote: 55 Ayes,

0 Nays, 5 Not Voting

[Signature]  
Speaker of the House

Norman L. Moore  
Chief Clerk of the House

Passed the Senate April 18, 2005,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

[Signature]  
President of the Senate

Charmion Billington  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

19th day of April, 2005

at 8:45 o'clock a. M.

Wendy Ibarra  
Secretary to the Governor

Approved this 25 day of

April, 2005,

at 9:25 o'clock A. M.

[Signature]  
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 25 day of April, 2005,

at 4:23 o'clock P. M.

[Signature]  
Secretary of State